

U.S.-Chile Horticultural Trade

**USDA
Foreign Agricultural Service
Horticultural & Tropical Products Division**

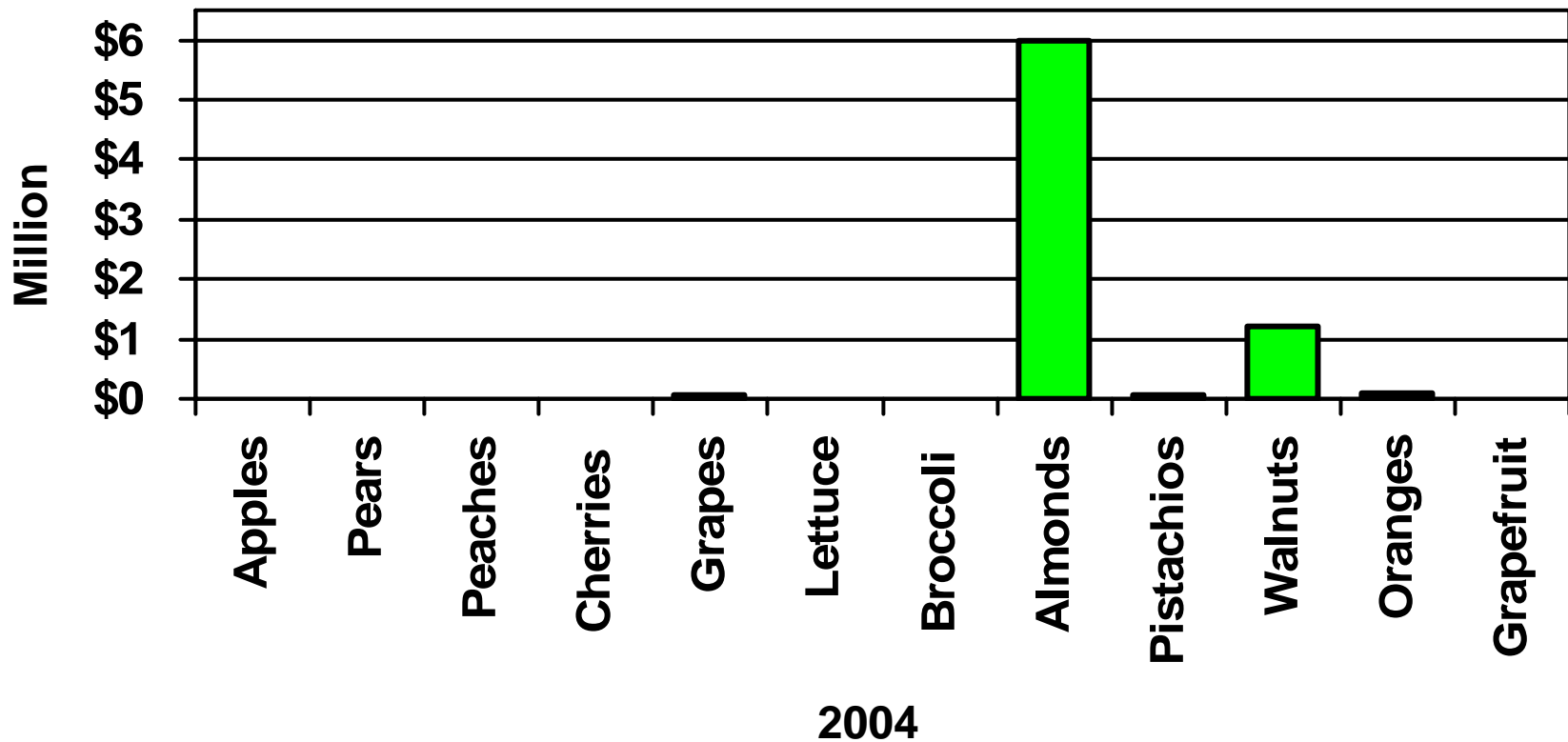
U.S.-Chile Free Trade Agreement

- **On June 6, 2003, The United States and Chile signed a Free Trade Agreement (FTA) that when fully implemented eliminates bilateral tariffs, lowers trade barriers, promotes economic integration, and expands opportunities. The U.S. – Chile FTA entered into force on January 1, 2004.**
- **About three-quarters of U.S. and Chilean farm goods will be tariff free by 2007, with all tariffs and quotas phased out within 12 years. Farmers will gain duty-free treatment for pork and pork products, beef and beef products, soybeans and soybean meal, durum wheat, feed grains, potatoes, and processed food products such as french fries, pasta, distilled spirits, and breakfast cereals.**
- **Due to the sensitivity of the specialty crops, U.S. trade negotiators provided a 12-year non-linear tariff phase-out period. Industry also received immediate zero tariffs for some crops, such as tree nuts and deciduous tree fruits.**
- **SPS issues continue to be the biggest source of concern for the U.S. horticultural sector**

Recent Successful Negotiations

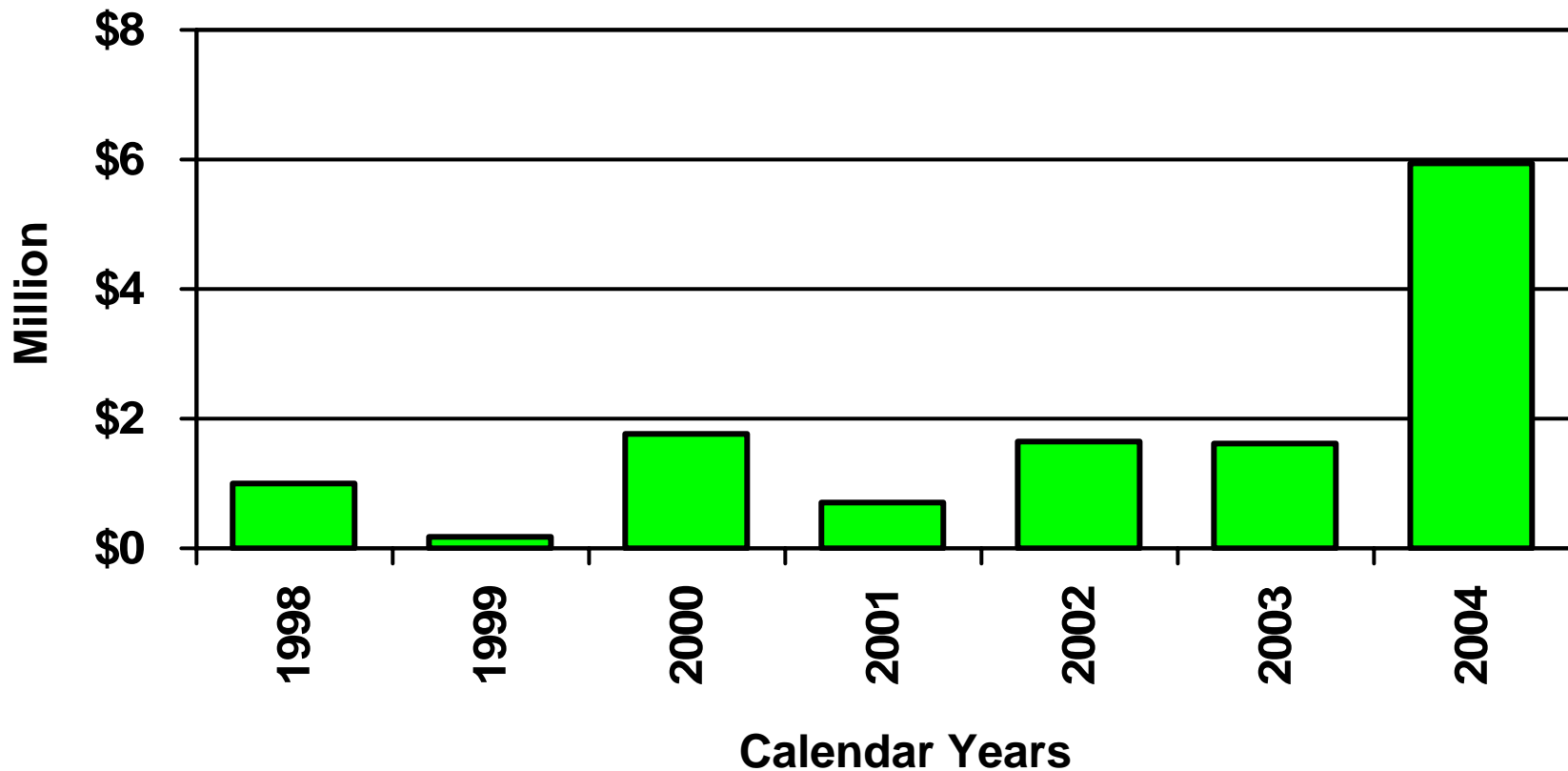
- **An ad hoc working group that was established during the FTA negotiations has been successful in resolving some of the SPS problems.**
- **The successes include an apple and pear work plan, an agreement on California and Arizona citrus, and a near-agreement on stonefruit.**
- **Immediate duty free treatment for U.S. apples, pears, peaches, cherries, grapes, lettuce, broccoli, almonds, pistachios, walnuts, oranges, and grapefruit.**
- **As a result of immediate duty-free treatment for certain products upon the agreement's implementation, in 2004, U.S. almond exports (80212) were nearly \$6 million, an increase of 270 percent compared to 2003; U.S. walnut exports increased 75 percent, to slightly over \$1 million.**

U.S. Exports of Duty-Free Horticultural Products Under the U.S.-Chilean FTA



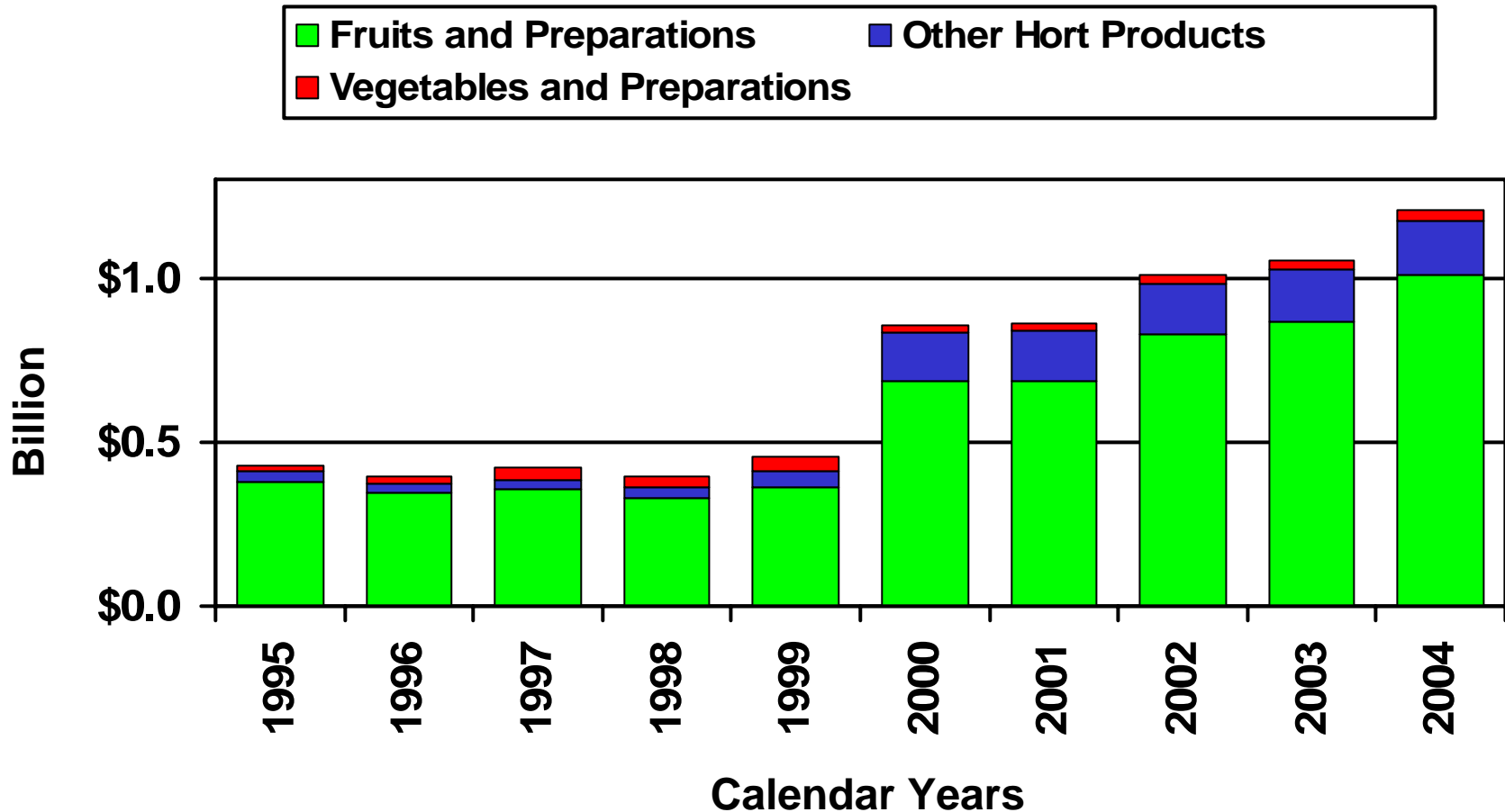
Source: Bureau of the Census, DOC

U.S. Exports of Almonds Under the FTA Grew Substantially



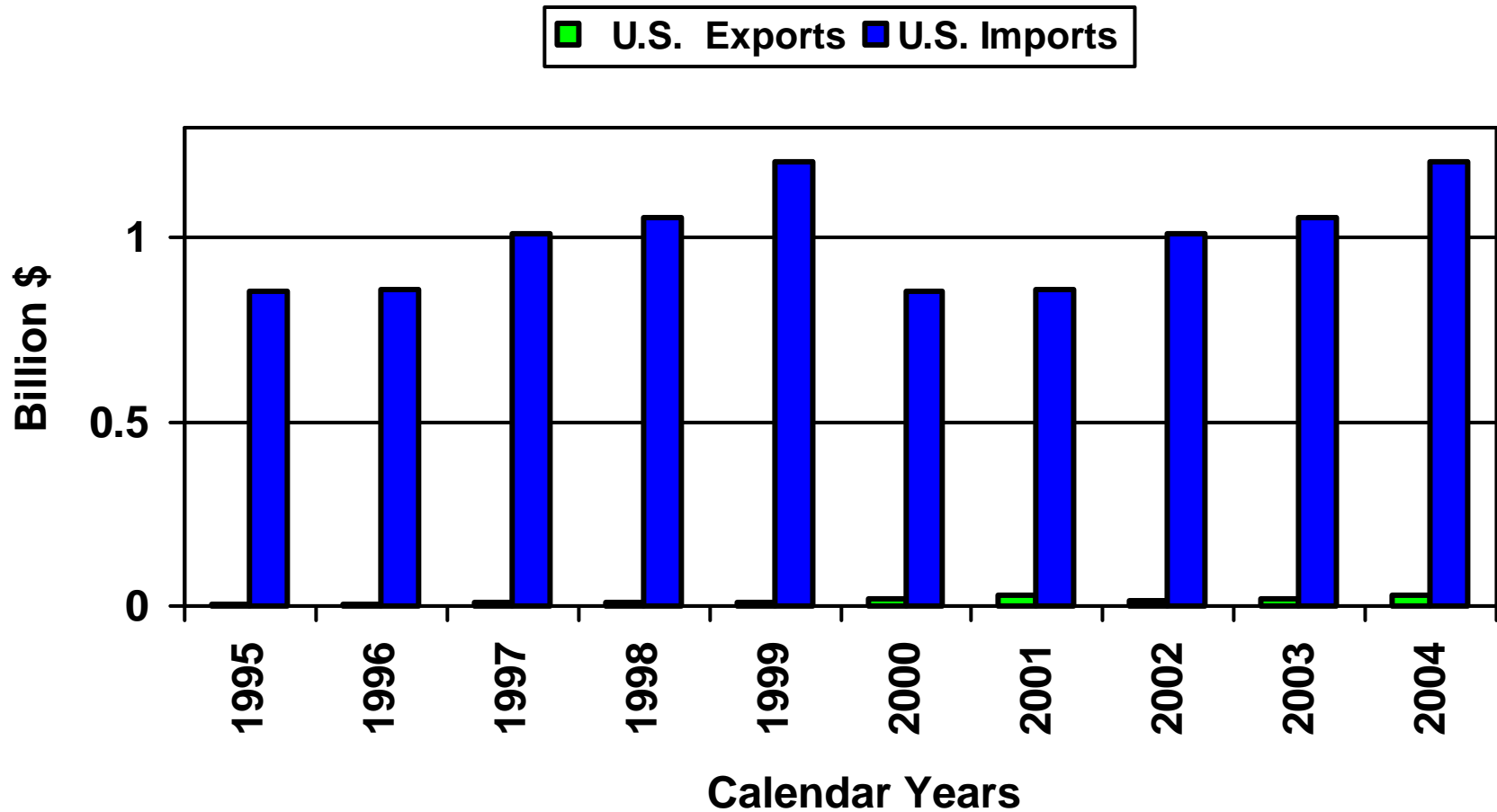
Source: Bureau of the Census, DOC

U.S. Imports of Horticultural Products From Chile



Source: Bureau of the Census, DOC

U.S. Horticultural Trade With Chile



Source: Bureau of the Census, DOC

Chilean Imports of Horticultural Products From the United States

